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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/708,592	03/12/2004	Aliza Freud	03292.101920.	2591
5514 7590 12/24/2009 FITZPATRICK CELLA HARPER & SCINTO 1290 Avenue of the Americas NEW YORK, NY 10104-3800			EXAMINER POE, KEVIN T	
			ART UNIT 3693	PAPER NUMBER
			MAIL DATE 12/24/2009	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/708,592	Applicant(s) FREUD ET AL.	
	Examiner KEVIN POE	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period **will** apply and **will** expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply **will**, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 September 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-8 and 11-16 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-8 and 11-16 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is in response to applicant's communication of September 23, 2009. Claims 1-8 and 11-16 are pending and have been examined. The rejections are stated below.

Response to Amendment

2. Applicant has amended claims 1, 11-12, and 15-16. Claims 9 and 10 have been cancelled.

Response to Arguments

3. Applicant's arguments with respect to rejected claims have been considered but are not persuasive. The Applicant argues that Arkes does not teach "not when the participant's balance does not cover the winning bid, a) querying the auction system for the next highest bid amount; b) verifying that the next highest bid exceeds any minimum bid amount set for the auction item; c) verifying that the participant of the next highest bid has an account balance to cover the next highest bid; and d) repeating steps a) - c) until a participant has an account balance to cover the next highest bid. The Examiner respectfully disagrees with Applicant's position. Arkes teaches a participant is permitted to submit bids that in total exceed the number of points possessed by the participant. Thus, a high bidder may not necessarily have sufficient points to fulfill the bid. Arkes teaches resolving high bidders for auction items at the close of an auction. The auction

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facilities combine all bids into a consolidated bid list ordered according to the time and date the bid was submitted. The most recent bid is placed at the head of the list; the oldest bid is placed at the end. The auction facilities take a high bid from the head of the consolidated bid list. Next, the high bid is compared to the points of the identified bidder (via the participant ID 80). If the identified participant does not have sufficient points to fulfill the bid, then the bid is discarded and, if there are no more bids on the bid list, then control passes to the End. Otherwise The auction facilities extract a next most recent bid of the remaining bids--now at the head of the list. If the identified participant has sufficient points to fulfill the bid, then, the participant ID, winning bid, and auction item are recorded in an auction winners list (0078-0080).

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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5. Claims **1-2, 4-11, 13** and **15-16** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Arkes [US Pub No. 2007/0118461 A1]** in view of **Griffiths [US Pub No. 2002/0116316 A1]**.

6. Regarding **claim 1**, Arkes discloses a method for facilitating the redemption of amounts accumulated in a rewards account through an online auction (on-line auction, Abstract, 0006) comprising the steps of: selecting an auction system from a plurality of auction systems , wherein each auction system manages a plurality of auctions (particular auction, Figure 1, 0024); wherein the rewards account is managed by one of the plurality of account managers (0022, auction sponsor); bidding an amount contained within the rewards account on an auction item being auctioned within the auction system (bidding, 0060); determining a winning bid amount on the auction item to identify a winning auction bid (winning bid, 0060); terminating the ability to post bids to an auction item (halting bidding, Figure 8, 0077); determining a winning bid for the auction item by querying the auction system for a highest amount bid for the auction item and an identity of the participant bidding the highest amount (high bid, and the participant ID, winning bid, and auction item are recorded in an auction winners list 0078-0080); and verifying that the participant with the winning bid has an account balance to cover the winning bid (sufficient points, 0080), wherein when the account balance of the participant does not cover the winning bid: , a) querying the auction system for the next highest bid amount; (next most recent bid of remaining high bids,

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Figure 11 item 402, 0079 b) verifying that the next highest bid exceeds any minimum bid amount set for the auction item (Figure 11 items 404 and 406, 0078-0080); c) verifying that the participant of the next highest bid has an account balance to cover the next highest bid (Figure 11 items 404 and 406, 0078-0080); and d) repeating steps a) - c) until a participant has an account balance to cover the next highest bid (Figure 11) ; and completing a financial transaction for the winning auction bid (point transaction, 0064).

Arkes does not explicitly disclose registering, by an auction middleware application, a rewards account with the auction system, wherein the auction middleware application is adapted to interact with a plurality of account managers offering a plurality of rewards programs, wherein the auction middleware application acts an interface between the plurality of account managers and the plurality of auction systems. However Griffiths teaches listing registration system receives seller identification information (such as name, address, credit card account for charges or payments, user ID, password, and other suitable information), listing information (such as number of items, starting bid, reserve price, lot description, and other suitable information), and other suitable information (0030). At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Griffiths to obtain invention specified in claim 1. The rationale to combine the teachings would be an improved auction system that allows auction listings for two or more sites to be consolidated, so as to allow the listings on different sites to be made available to bidders at all sites.

7. Regarding **claim 2**, Arkes discloses obtaining participant data, wherein said participant data includes at least one of account information, username and password. [0007 and 0056]

Arkes discloses transmitting said participant data to an auction to facilitate verification; and, receiving verification of said participant data from said auction. [0056-0057]

8. Regarding **claim 3**, Arkes does not explicitly disclose wherein the step of registering further comprises the step of sending an e-mail to an e-mail address of the participant confirming their registration. However Griffiths teaches disclose wherein the step of registering further comprises the step of sending an e-mail to an e-mail address of the participant confirming their registration (0030). At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Griffiths to obtain invention specified in claim 3. The rationale to combine the teachings would be an improved auction system that allows auction listings for two or more sites to be consolidated, so as to allow the listings on different sites to be made available to bidders at all sites.

9. Regarding **claim 4**, Arkes discloses transmitting a participant's account information to an auction further comprises the steps of: querying the auction to verify that the auction accepts the rewards account for payment during participation in the auction. [0029]

Arkes discloses querying a management system for the account to validate the participant's identity. [0023]

Arkes discloses transmitting account data of the participant to an auction system database. [0008]

10. Regarding **claim 5**, Arkes discloses transmitting the participant's username and password to the auction further comprises the steps of: verifying that the username and password entered by the participant are both in an acceptable format; verifying that neither the username or password entered by the participant are being used by another; and transmitting the username and password entered by the participant to an auction system database. [0007 and 0056]

11. Regarding **claim 6**, Arkes discloses the step of bidding an amount contained within the rewards account comprises the steps of: presenting a rewards participant with a webpage of an auction site having one or more ongoing auctions for selection by the participant. [0023]

Arkes discloses presenting information to the participant relating to at least one of an auction and auction item selected by the participant. [0007]

Arkes discloses allowing the participant to enter and submit an amount of rewards from the participant's account to bid on the auction item; and transmitting the participant's bid amount to post a bid on the auction site. [0008]

12. Regarding **claim 7**, Arkes discloses verifying a balance in the rewards account.
[0071]

Arkes discloses querying the auction to verify that the participant's bid exceeds the amount of any previous bid for the auction item. [0060]

Arkes discloses querying the auction to verify that the participant's bid exceeds any minimum bid amount set for the auction item. [0047]

Arkes discloses posting the participant's bid amount on the auction site. [0058]

13. Regarding **claim 8**, Arkes discloses the step of bidding an amount contained within the rewards account on an auction item within the online auction comprises querying the auction to verify that combined amounts of any current bids posted by the participant do not exceed the rewards account balance. [0041]

14. Regarding **claim 11**, Arkes discloses verifying that that combined amounts of any current bids posted by the participant of the next highest bid do not exceed the rewards account balance for the participant of the next highest bid. [0060]

15. Regarding **claim 13**, Arkes discloses providing reward account details and account history data, wherein said account history data may include at least one of

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dates and descriptions of items the participant has bid on, the cash rewards amount bid during each auction, winning bid amounts, and current bid status. [0068]

16. Regarding **claims 15 and 16**, Arkes discloses a computer program and system for facilitating the redemption of amounts in a reward account through an online auction (online auction, Abstract, 0006), comprising:: selecting an auction system from a plurality of auction systems , wherein each auction system manages a plurality of auctions (particular auction, Figure 1, 0024); wherein the rewards account is managed by one of the plurality of account managers (0022, auction sponsor); bidding an amount contained within the rewards account on an auction item being auctioned within the auction system (bidding, 0060); determining a winning bid amount on the auction item to identify a winning auction bid (winning bid, 0060); and completing a financial transaction for the winning auction bid (point transaction, 0064).

Arkes does not explicitly disclose registering, by an auction middleware application, a rewards account with the auction system, wherein the auction middleware application is adapted to interact with a plurality of account managers offering a plurality of rewards programs, wherein the auction middleware application acts an interface between the plurality of account managers and the plurality of auction systems.

However Griffiths teaches listing registration system receives seller identification information (such as name, address, credit card account for charges or payments, user ID, password, and other suitable information), listing information (such as number of items, starting bid, reserve price, lot description, and other suitable information), and

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other suitable information (0030). At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Griffiths to obtain invention specified. The rationale to combine the teachings would be an improved auction system that allows auction listings for two or more sites to be consolidated, so as to allow the listings on different sites to be made available to bidders at all sites. Arkes teaches obtaining, by the auction middleware application, at least one reward balance by: receiving a reward balance request (balance, 0071), transmitting a query to the auction system to identify a participant and an associated rewards program (0040-0041), receiving information at the auction middleware application identifying the participant and the associated rewards program (participant ID, 0041), and querying an account manager associated with the associated reward program and receiving the at least one reward balance (balance, 0071).

17. Claim **12** is rejected under 35 U.S.C. 103(a) as being unpatentable over **Arkes [US Pub No. 2007/0118461 A1]** in view of **Griffiths et al. [US Pub No. 2002/0116316 A1]** and further in view of **Yakos [US Pub No. 2004/0260645 A1]** and **Iannacci [US Pub No. 2002/0062249 A1]**.

18. Regarding **claim 12**, Arkes discloses the step of completing a financial transaction for the winning bid comprises the steps of: debiting the winning bid amount from the rewards ~~ac-count~~ account of the participant having the winning auction bid.

[0081]

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Arkes does not explicitly disclose crediting the winning bid amount to an account owned by an account manager who manages rewards accounts. However Yakos discloses an account manager site; and h) said central data processing site responsive to said data indicative of a transaction, producing account manager credit data indicative of at least a part of or percentage of the amount of said transaction credited to said account manager site. [Yakos, Claim 10]

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Yakos to obtain invention as specified in claim 12. The rationale to combine the teachings would be to assist in the settlement of the auction item.

Arkes does not explicitly disclose settling with a merchant who sold the auction item. However Iannacci discloses effective means to establish and execute option supply and acquisition functions in order to acquire incentives and awards and then guide their actions and settle the merchant's payment request by selecting and delivering the appropriate payment and redemption accounts. [0241]

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Iannacci to obtain invention as specified in claim 12. The rationale to combine the teachings would be an on-line, interactive, and fully integrated benefit-driven value exchange and settlement program that monitors, evaluates, and manages economic and personal benefits and executes functions to produce and acquire the maximum or preferred benefit items for users by guiding and automating appropriate payment and settlement actions.

19. Claim **14** is rejected under 35 U.S.C. 103(a) as being unpatentable over **Arkes [US Pub No. 2007/0118461 A1]** in view of **Griffiths et al. [US Pub No. 2002/0116316 A1]** and further in view of **Mok et al. [US Pub No. 2004/0015394 A1]**.

20. Regarding **claim 14**, Arkes does not explicitly disclose at least one of adding or removing participating reward accounts. However Mok et al. discloses in order to facilitate the administration of the reward program, the program administrator may also assign the customer a form of identification and then establish a reward account based on the identification assigned. [0023]

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the disclosure of Arkes to include the teachings of Mok et al. to obtain invention as specified in claim 14. The rationale to combine the teachings is this account will provide a place for the program administrator to automatically depositing rewards.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not

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mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to KEVIN POE whose telephone number is (571)272-9789. The examiner can normally be reached on Monday through Friday 9:30am - 6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, JAMES KRAMER can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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